

**ILLINOIS COMMERCE COMMISSION  
DOCKET 03-0239**

**DIRECT TESTIMONY OF DANIEL P. RHINEHART  
ON BEHALF OF  
AT&T COMMUNICATIONS OF ILLINOIS, INC.  
TCG ILLINOIS AND TCG CHICAGO**

**AT&T EXHIBIT 4.0**

**ISSUES:**

**INTERCARRIER COMPENSATION (IC) 1, 8a, 10a, 11  
UNE 27, 29  
PRICING 1, 3, 4, 5a, 5b**

**MAY 2, 2003**

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**Exhibits**

AT&T Exhibit 4.1	Previous Testimony of Daniel P. Rhinehart
AT&T Exhibit 4.2	SBC Illinois' Tariff ILL. C.C. No. 20, Part 19, Section 21, Sheet 45.
AT&T Exhibit 4.3	AT&T Communications of Illinois, Inc., Tariff ILL. C.C. No. 8, excerpts

**I. WITNESS IDENTIFICATION AND QUALIFICATIONS**

**1. Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

**A.** My name is Daniel P. Rhinehart. My business address is 919 Congress Ave., Suite 400, Austin, Texas, 78701.

**2. Q. BY WHOM ARE YOU EMPLOYED AND WHAT IS YOUR TITLE?**

**A.** I am employed by AT&T Corp. as District Manager - Law and Government Affairs.

**3. Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND.**

**A.** I graduated from the University of Nevada at Reno in 1977 with a Bachelor of Science Degree with High Distinction in Education, majoring in mathematics. In 1987, I received a Masters of Business Administration degree, with Honors, from Saint Mary's College in Moraga, California. In addition, I have attended numerous training courses covering the topics of separations, telephone accounting, and long run incremental costs. I have completed the Brookings Institute course on Federal Government Operations and the University of Southern California Center for Telecommunications Management, Middle Management Program in Telecommunications.

**4. Q. PLEASE DESCRIBE YOUR WORK EXPERIENCE.**

22           A.     I joined Nevada Bell in 1979 as a Staff Specialist for the Residence  
23                 Installation and Maintenance organization. My next assignment was in  
24                 Nevada Bell's Separations and Settlements organization where I was  
25                 responsible for reviews of independent telephone company separations  
26                 and settlements studies. In 1984, I joined AT&T Communications of  
27                 California's separations organization in San Francisco and was  
28                 subsequently promoted in August 1985 with responsibility for mechanized  
29                 separations results and analysis for AT&T Communications of California  
30                 and later for exchange carrier cost analysis. In 1987, I became Regulatory  
31                 Manager, and oversaw AT&T Communications of California's  
32                 participation in local exchange carrier regulatory proceedings. I was  
33                 promoted in April 1995 to District Manager - Government Affairs, with  
34                 responsibilities in the states of Texas, Kansas, Arkansas, Missouri, and  
35                 Oklahoma. Since approximately June of 1996, I have held various  
36                 responsibilities in relation to the participation of AT&T Communications  
37                 of the Southwest, Inc. and AT&T Communications Texas, L.P. in  
38                 numerous local exchange carrier regulatory proceedings, with a focus on  
39                 Local Exchange Carrier cost studies. During that time, I have become  
40                 very familiar with many of the evolving cost study processes employed by  
41                 SBC as employed in the former Southwestern Bell Telephone Company  
42                 (SWBT), Pacific Bell and, most recently, in the former Ameritech states.  
43                 Prior to my relocation to Texas, I held the position of vice chairman of the

44 California Universal Lifeline Telephone Service Trust Fund for  
45 approximately two years in addition to my regular work assignments.

46 **5. Q. HAVE YOU PREVIOUSLY SPONSORED TESTIMONY IN**  
47 **OTHER REGULATORY PROCEEDINGS?**

48 **A.** Yes. I have sponsored testimony in Arkansas, Kansas, Missouri,  
49 Oklahoma, Texas, and California. AT&T Exhibit 4.1 identifies the  
50 proceedings in which I have provided testimony and the topics I have  
51 addressed.

52 **6. Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS**  
53 **PROCEEDING?**

54 **A.** I am testifying on behalf of AT&T Communications of Illinois, Inc., TCG  
55 Illinois and TCG Chicago, which I will refer to collectively as "ATTCI."

56 **7. Q. WHAT IS THE SUBJECT OF YOUR TESTIMONY?**

57 **A.** My testimony will address Issues Intercarrier Compensation (IC) 1  
58 (applicability of the reciprocal compensation provisions of the agreement  
59 where ATTCI is using unbundled local switching with shared transport  
60 (ULS-ST)), 8a (the structure of reciprocal compensation rate elements),  
61 10a (whether 8YY traffic compensation should be determined by the  
62 jurisdiction of the traffic), and 11 (proposed SBC Illinois limitations on  
63 ATTCI tariffed exchange access rates); Issues UNE 27 (applicability of  
64 the reciprocal compensation provisions of the agreement where ATTCI is

65 using ULS-ST) and 29 (the structure of reciprocal compensation rate  
66 elements); and Issues Pricing 1 (applicability of rates for space license), 3  
67 (the price for local end office reciprocal compensation), 4 (the proper rate  
68 for reciprocal compensation associated with ULS-ST), 5a (the definition  
69 of LIDB queries in the pricing schedule), and 5b (whether a price should  
70 be included for unbundled operator services LIDB validations).

71 **II. INTERCARRIER COMPENSATION ISSUES**  
72  
73

74 **A. Issue IC 1 – Should the terms of Article 21 apply to traffic where AT&T**  
75 **is using ULS-ST provided by SBC Illinois?**  
76

77 **8. Q. PLEASE DESCRIBE ISSUE IC 1.**

78 **A.** The first paragraph of Article 21, Intercarrier Compensation, sets out  
79 ATTCI's view that Article 21 should not apply to traffic exchanged where  
80 ATTCI is using unbundled local switching with shared transport (ULS-  
81 ST) it purchases from and is being provided by SBC Illinois. In fact, no  
82 rates or compensation matters discussed in Article 21 pertain to ULS-ST.  
83 Therefore, it is ATTCI's position that Article 21 should clearly state that it  
84 does not apply when ATTCI provides local service using ULS-ST  
85 purchased from SBC Illinois. SBC Illinois opposes this exclusion.

86 **9. Q. WHAT IS THE BASIS OF ATTCI'S POSITION THAT THE**  
87 **TERMS OF ARTICLE 21 SHOULD NOT APPLY TO TRAFFIC**  
88 **EXCHANGED WHERE ATTCI IS USING ULS-ST?**

89           A.     In compliance with the Illinois Merger Order (Docket 98-0555),  
90                     Ameritech Illinois filed a tariff for interim shared transport, known as  
91                     Unbundled Local Switching with Interim Shared Transport, or “ULS-  
92                     IST”, on September 21, 1999 (Advice No. 7160), which was allowed to go  
93                     into effect on September 22, 1999. The ULS-IST rate was superseded by  
94                     Ameritech Illinois’ tariffing of permanent Shared Transport, or “ULS-ST,”  
95                     in October of 2000, as required by the Illinois Merger Order and FCC  
96                     Merger Order. At Staff’s recommendation, the Commission allowed  
97                     SBC’s permanent Shared Transport tariff to go into effect without  
98                     suspension on October 8, 2000 and to be amended as of October 9, 2000.  
99                     That tariff contained a rate of \$0.001100 for ULS-ST Reciprocal  
100                    Compensation; that rate is the reciprocal compensation rate that applied  
101                    when a competitive local exchange carrier (“CLEC”) was providing local  
102                    service using ULS-ST purchased from SBC Illinois. The Commission  
103                    initiated an investigation of the ULS-ST tariff on November 1, 2000. That  
104                    investigation was docketed as ICC Docket No. 00-0700.

105                   As part of its direct case in ICC Docket No. 00-0700, SBC Illinois  
106                   also proposed new unbundled local switching (“ULS”) cost studies and  
107                   rates.<sup>1</sup> SBC Illinois’ ULS cost studies and corresponding rate proposals  
108                   were also investigated in Docket No. 00-0700.

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<sup>1</sup> ULS and shared transport, or ULS-ST, are purchased together to provide local exchange service as part of the UNE-Platform.

During the Docket No. 00-0700 investigation, Ameritech Illinois also made a reciprocal compensation proposal, urging the Commission to adopt reciprocal compensation provisions requiring Ameritech Illinois to pay terminating CLECs the same per minute charges CLECs pay Ameritech Illinois when Ameritech Illinois terminates a ULS-ST call on its network. ATTCI and WorldCom contended that reciprocal compensation issues were beyond the scope of the Docket No. 00-0700 investigation, which was initiated to address rates for unbundled local switching and shared transport (ULS-ST) and not reciprocal compensation. The Commission agreed with ATTCI/WorldCom witness Dr. Ankum that:

issues of reciprocal compensation are better addressed elsewhere. Specifically, Dr. Ankum suggests, and we agree, that reciprocal compensation decisions, require extensive cost studies, that are not present in this docket. Faced with a dearth of evidence on this issue, we decline to reach a decision on the issue at this time.

Docket No. 00-0700 July 10, 2002 Order at pp. 22-23, paragraph 90. Thus, the Commission's Order in Docket 00-0700 could not be more clear: without the cost studies and additional record evidence on reciprocal compensation, the Commission expressly declined to make any decision(s) on issues of reciprocal compensation and, consequently, left SBC Illinois' ULS-ST reciprocal compensation scheme unchanged as it existed prior to the investigation. However, rather than comply with the



Commission's very explicit statement that it was not addressing – and therefore not changing – ULS-ST reciprocal compensation rates, SBC Illinois filed a tariff in response to the Commission's Order in ICC Docket No. 00-0700 that removed the ULS-ST Reciprocal Compensation rate element completely from its ULS-ST tariff. (ILL. C.C. Tariff No. 20, Part 19, Section 21) SBC Illinois' unilateral removal of the ULS-ST Reciprocal Compensation rate element and the associated rate level of \$0.001100 from its ULS-ST tariff was wholly inappropriate.

**10. Q. WHY DO YOU CONSIDER SBC ILLINOIS' TARIFF FILING A "REMOVAL" OF THE ULS-ST RECIPROCAL COMPENSATION RATE ELEMENT FROM PART 19, SECTION 21 OF ITS TARIFF 20, WHEN SBC ILLINOIS CROSS REFERENCED A SUBSTITUTE RATE AVAILABLE FROM PART 23, SECTION 2 OF TARIFF 20?**

**A.** When SBC Illinois removed the ULS-ST Reciprocal Compensation rate of \$0.001100 from its tariff, SBC Illinois added a sentence to its ULS-ST tariff (see Tariff 20, Part 19, Section 21, 5<sup>th</sup> Revised Sheet No. 2) establishing a higher reciprocal compensation rate (i.e., higher than the previously-existing rate of \$0.001100 per minute of use) for local traffic that a CLEC purchasing ULS-ST must pay when it terminates a call to SBC Illinois. Specifically, the offending language states: "In the event the Carrier has not established a compensation arrangement with the Company, the Company will charge the Carrier the Commission approved

tariff rate for end office termination found in ILL. C.C. No. 20, Part 23, Section 2 for traffic terminated by the Company from that Carrier.” The bottom line is that the effect of this provision is to *more than triple* the reciprocal compensation rate the CLECs have been paying all along from \$0.001100 to \$0.003746, despite the fact that the Commission refused to make *any* findings and/or conclusions on reciprocal compensation issues in Docket No. 00-0700 due to the lack of cost studies and record evidence and the complexity of the issues. Not only did SBC Illinois inappropriately eliminate the ULS-ST Reciprocal Compensation rate element from its ULS-ST tariff, but it inappropriately substituted a much higher reciprocal compensation rate in its place without a showing of any kind, and contrary to the Commission’s express statements in the Docket No. 00-0700 Order.

**11. Q. DOES SBC ILLINOIS PROPOSE TO INCLUDE THE HIGHER \$0.003746 RATE FOR END OFFICE LOCAL TERMINATION FOR ULS-ST RECIPROCAL COMPENSATION IN THE NEW AGREEMENT?**

**A.** No. SBC Illinois is proposing to use a bifurcated set-up and duration rate structure for Local End Office Terminating Reciprocal Compensation which matches the rates it proposes for reciprocal compensation generally. I will discuss the specifics of SBC Illinois’ rate structure proposal later in my testimony, in connection with Issue IC 8a.

178 **12. Q. IS THERE ANY DISPUTE REGARDING THE PRICE OR**  
179 **STRUCTURE OF THE REMAINDER OF THE RATES RELATED**  
180 **TO ULS-ST?**

181 **A.** No. ATTCI and SBC Illinois have agreed to the rate structure and rate  
182 levels for ULS usage, ULS-ST Blended Transport Usage, ULS-ST  
183 Common Transport usage, ULS-ST Tandem Switching usage and ULS-ST  
184 SS7 Signaling Transport. Each of the agreed upon rates match the  
185 currently effective rates shown in SBC Illinois' tariff ILL. C.C. NO. 20,  
186 Part 19, Section 21, Sheet No. 45, effective September 26, 2002.

187 **13. Q. WHAT RECIPROCAL COMPENSATION RATE SHOULD APPLY**  
188 **WHERE ATTCI IS USING ULS-ST PROVIDED BY SBC**  
189 **ILLINOIS?**

190 **A.** Reciprocal compensation associated with ULS-ST traffic should be  
191 charged at \$0.001100 per MOU as set forth in ILL. C.C. NO. 20, Part 19,  
192 Section 21 Sheet 45, as in effect prior to the latest revisions issued on  
193 August 21 and August 27, 2002. It is ATTCI's position that this is the  
194 appropriate legal rate last established and approved by this Commission  
195 for ULS-ST reciprocal compensation and it is reflected in ATTCI's  
196 proposed Pricing Schedule to the new Agreement.

197   **14.   Q.   WHAT INTERCONNECTION AGREEMENT LANGUAGE DOES**  
198                   **ATTCI PROPOSE TO EFFECT THE POSITION THAT ARTICLE**  
199                   **21 DOES NOT APPLY TO ULS-ST?**

200           **A.   ATTCI proposes the following introductory paragraph to Article 21:<sup>2</sup>**

201                               21.1.1 This Article sets forth the terms and  
202                               conditions for classification of traffic exchanged between  
203                               AT&T and SBC-Illinois, and the related terms and  
204                               conditions for mutual compensation. **This Article does**  
205                               **not apply to traffic exchanged where AT&T is using**  
206                               **unbundled local switching with shared transport (ULS-**  
207                               **ST) provided by SBC-Illinois.** The provisions of this  
208                               Article do not apply to traffic originated over services  
209                               provided under local Resale service.  
210

211   **15.   Q.   DOES SBC ILLINOIS PROPOSE ANY COMPETING**  
212                   **LANGUAGE?**

213           **A.   Other than elimination of ATTCI's proposed insert to Section 21.1.1, SBC**  
214                   Illinois does not propose competing language.

215   **16.   Q.   HOW DO YOU RESPOND TO SBC ILLINOIS' CLAIM THAT IT**  
216                   **HAS FILED TARIFFED RATES IN COMPLIANCE WITH THE**  
217                   **COMMISSION'S ORDER IN DOCKET NO. 01-0614, INCLUDING**  
218                   **RECIPROCAL COMPENSATION CHARGES FOR ULS-ST**  
219                   **TRAFFIC AT THE COMMISSION-APPROVED RECIPROCAL**  
220                   **COMPENSATION RATE?**

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<sup>2</sup> As indicated in the filed arbitration petition, **Bold & Underline [ICA text] represents language proposed by AT&T and opposed by SBC Illinois.** Where displayed in my testimony **Bold language represents language proposed by SBC Illinois and opposed by ATTCI.** Non-modified text is text that has been agreed-to by both ATTCI and SBC Illinois.

221           **A.**     My response is four-fold. First, the order in Docket No. 01-0614 to which  
222                   SBC Illinois refers was issued on June 11, 2002. Docket No. 01-0614 did  
223                   not have as its purpose the evaluation of the applicability of the ULS-ST  
224                   reciprocal compensation rate. Paragraph 401 of the Order restates SBC  
225                   Illinois' position that "it first filed its ULS-ST tariff in 2000 and has  
226                   offered the service since that time. That tariff is the subject of a separate  
227                   investigation in Docket No. 00-0700. Ameritech urges that the purpose of  
228                   the present proceeding [Docket No. 01-0614] is not to examine all terms  
229                   and conditions surrounding the ULS-ST offering as is being done in  
230                   Docket No. 00-0700. Rather, it is to make those limited changes necessary  
231                   to the ULS-ST tariff to implement Section 13-801 and to leave the  
232                   remaining portion of the ULS-ST tariff in place, pending the result in  
233                   Docket No. 00-0700." SBC Illinois goes on to state in its Decision Point  
234                   List entry for this Issue IC-1 in this case (Attachment B to the arbitration  
235                   petition) that "SBC filed a tariff in Illinois in compliance with the ICC's  
236                   order in Docket No. 01-0614 and approved by the ICC which specifically  
237                   permits reciprocal compensation charges for ULS-ST traffic at the  
238                   Commission approved reciprocal compensation rate." To my knowledge,  
239                   the Illinois Commerce Commission has never investigated or approved the  
240                   tariffs SBC Illinois filed in response to the Commission's Order in Docket  
241                   No. 01-0614.

242                   Second, it is ATTTCI's view that the reciprocal compensation rates  
243 originally reflected in SBC Illinois' ULS-ST tariff should have remained  
244 in effect, consistent with the Commission's July 10, 2002 Order in Docket  
245 No. 00-0700.

246                   Third, it is ATTTCI's view that the distinct rates for reciprocal  
247 compensation over ULS-ST previously tariffed by SBC Illinois correctly  
248 reflect appropriate and very distinct cost recovery for traffic termination in  
249 the environment established in Docket 00-0700 wherein ULS-ST switch  
250 port prices were set to recover costs of the end office switch and all  
251 originating traffic on a flat-rate basis.

252                   Fourth, while SBC Illinois supposedly relies on the authority of  
253 Commission-approved rates for the proposition that UNE-Platform (ULS-  
254 ST) reciprocal compensation and Inter-carrier Compensation for traffic  
255 flowing between the networks of two carriers generally should be the  
256 same, it fails completely to acknowledge the Commission's July 10, 2002  
257 Order in Docket No. 00-0700 which expressly contemplated the need for a  
258 significant cost showing before ULS-ST reciprocal compensation rates  
259 could be changed – a condition precedent which SBC Illinois has not  
260 satisfied. In addition, while SBC Illinois relies upon the Commission-  
261 approved reciprocal compensation rates for non-ULS-ST traffic to support  
262 its position, SBC Illinois also proposes in this proceeding an entirely

revised set-up and duration rate structure that may not result in effective ULS-ST reciprocal compensation rates equivalent to the Commission-approved ULS-ST reciprocal compensation rates.

**B. Issue IC 8a – How should reciprocal compensation rate elements be structured?**

**17. Q. PLEASE DESCRIBE ISSUE IC 8a RELATED TO THE STRUCTURE OF RECIPROCAL COMPENSATION RATE ELEMENTS.**

**A.** ATTCI proposes a four-part reciprocal compensation structure in which ATTCI would pay SBC Illinois for calls originated on ATTCI's network and terminated on SBC Illinois' network based on the use of each of the four elements discussed below. For calls originated on SBC Illinois' network and terminated on ATTCI's network, ATTCI proposes to charge SBC Illinois a single blended rate made up of four individual rates. Consistent with the above discussion, ATTCI's proposed rates would not apply to calls exchanged where ATTCI is using ULS-ST provided by SBC Illinois. SBC Illinois proposes a five-part structure applicable to all non-ULS-ST-based calls exchanged between ATTCI and SBC Illinois. ATTCI and SBC Illinois agree on the structure and pricing for three of the parties' four and five proposed rate elements, respectively.<sup>3</sup> There is no agreement

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<sup>3</sup> The Pricing Schedule rate element names and prices for the three elements are agreed. However, the actual Interconnection Agreement text describing the rate elements differs.

regarding the single blended rate charge proposed by ATTCI for SBC Illinois messages terminated on ATTCI's network.

**18. Q. WHAT ARE THE THREE RATE ELEMENTS AND RATES AGREED TO BY ATTCI AND SBC ILLINOIS?**

**A.** As listed in the Pricing Schedule included in the Interconnection Agreement ("ICA") filed as Attachment C to the arbitration petition, ATTCI and SBC Illinois agree that there should be rate elements for Tandem Switching, Tandem Transport Termination and Tandem Transport Facility Mileage. The first two elements are to be charged on a per minute of use basis and the third is to be charged on a per minute of use per mile basis. All three of the agreed-to rates may be found in the current SBC Illinois tariff ILL. C.C No. 20, Part 23, Section 2, 3<sup>rd</sup> Revised Sheet No. 3, issued January 18, 2002, effective January 19, 2002. They are as follows:

Tandem Switching	\$0.001072
Tandem Transport Termination	\$0.000201
Tandem Transport Facility Mileage	\$0.000013

It is my understanding that these rates were instituted pursuant to the Second Interim Order in Illinois Docket Nos. 96-0486/0569 (Consol.) dated February 17, 1998.



304   **19.   Q.   DESCRIBE THE RATE ELEMENT(S) ABOUT WHICH ATTICI**  
305                   **AND SBC ILLINOIS DISAGREE.**

306           **A.**   ATTICI and SBC Illinois disagree regarding the rate structure and rate  
307                   level of the Local End Office Termination rate element(s). ATTICI  
308                   proposes a single per-minute-of-use rate element priced at \$0.003746 per  
309                   minute and SBC Illinois proposes a bifurcated set-up and duration  
310                   structure for local End Office Termination with a per-call set-up price of  
311                   \$0.000496 and a per-minute-of-use charge of \$0.000927.

312   **20.   Q.   HAS SBC ILLINOIS PROVIDED ANY EVIDENCE OR**  
313                   **JUSTIFICATION TO ATTICI FOR THE USE OF ITS PROPOSED**  
314                   **SET-UP AND DURATION LOCAL END OFFICE TERMINATION**  
315                   **RATE ELEMENTS?**

316           **A.**   No. Nor has SBC Illinois provided any indication that the proposed  
317                   bifurcation between set-up and duration rates of local end office  
318                   termination rate elements would produce revenues greater than or less than  
319                   the reciprocal compensation rates previously approved by the Commission  
320                   as reflected in SBC Illinois Tariff ILL. C.C. No. 20, Part 23, Section 2.  
321                   Simple inspection of SBC Illinois' proposed rates reveal that the rates are  
322                   substantially lower than in the tariff. However, even if there were a  
323                   showing that the rate structure would be revenue neutral across all traffic  
324                   subject to reciprocal compensation, the Commission's July 10, 2002 Order  
325                   in Docket No. 00-0700 clearly states that without an investigation of the

extensive cost studies that would be necessary to support a change to the existing reciprocal compensation scheme in Illinois, the set-up and duration structure proposed by SBC Illinois is artificial and inappropriate.

**21. Q. HAS THE COMMISSION PREVIOUSLY CONSIDERED BIFURCATED SET-UP AND DURATION LOCAL END OFFICE TERMINATION RATE ELEMENTS?**

**A.** Yes. As part of Docket No. 00-0700, SBC Illinois submitted cost studies for local end office termination that suggested a set-up and duration rate structure. However, as recounted in the Docket No. 00-0700 Order, SBC Illinois' previously submitted cost studies supporting its call set-up and duration rates for end office termination overstated interoffice trunk costs. In addition, the Docket No. 00-0700 Order expressly acknowledged that both ATTCI/WorldCom witness Dr. Ankum and SBC Illinois' witness Mr. Palmer ultimately agreed that the trunk port investments which supposedly gave rise to SBC Illinois' proposed set-up and duration pricing structure "should be calculated in the same manner as transport termination, which uses interoffice MOUs" (Docket 00-0700 Order at paragraph 48). If the investments are determined on an interoffice MOU basis, a matching rate structure is most reasonable, consistent with cost causation principles. Thus, costs should be recovered on a minute of use basis, and there is no justification or support for a structure based on call set up and duration.

348   **22.   Q.   WHAT IS YOUR RECOMMENDED RATE LEVEL AND**  
349                   **STRUCTURE FOR NON-ULS-ST END OFFICE LOCAL**  
350                   **TERMINATION RECIPROCAL COMPENSATION?**

351           **A.**   I recommend a simple per-minute-of-use structure set at a rate of  
352                   \$0.003746 per MOU as set forth on page 12 of ATTCI's proposed Pricing  
353                   Schedule. This is the same rate currently found in SBC Illinois' tariff ILL.  
354                   C.C. No. 20, Part 23, Section 2, 3<sup>d</sup> Revised Sheet No. 3, that became  
355                   effective on January 19, 2002.

356                   Put simply, nothing new has occurred to warrant or justify SBC  
357                   Illinois' unilateral departure from Commission-approved rates that  
358                   expressly rejected the set-up and duration structure presently proposed by  
359                   SBC Illinois in this case.

360   **23.   Q.   PLEASE IDENTIFY THE INTERCONNECTION AGREEMENT**  
361                   **LANGUAGE BEING SPONSORED BY ATTCI IN SUPPORT OF**  
362                   **THIS POSITION.**

363           **A.**   ATTCI proposes the following language as part of Article 21, Intercarrier  
364                   Compensation:

365                   **21.4 Reciprocal Compensation** - Reciprocal Compensation  
366                   pursuant to this Article applies for the transport and termination of  
367                   local traffic billable by SBC-Illinois or AT&T for Local Calls  
368                   terminated on their respective networks when both Parties are  
369                   facilities-based providers. **The rate elements described in**  
370                   **Sections 21.4.1 – 21.4.4 below are applicable by SBC-Illinois**  
371                   **for Local Calls originated on AT&T's network and terminated**

372 on SBC-Illinois's network. SBC Illinois has four applicable  
373 reciprocal compensation rate elements, i.e., End Office Local  
374 Termination, Tandem Switching, Tandem Transport  
375 Termination and Tandem Transport Facility Mileage. The  
376 rate element applicability by AT&T for Local Calls originated  
377 on SBC-Illinois's network and terminated on AT&T's network  
378 is as described in Section 21.4.5 below.

379  
380 21.4.1 End Office Local Termination

381 - The End Office rate category provides the local end  
382 office switching and end user termination functions  
383 necessary to complete the transmission of switched  
384 communications to and from the end users served by  
385 the local end office.

386 - The End Office Local Termination rate element  
387 provides for local end office switching, i.e., the common  
388 switching functions (functions include transmission,  
389 reception, monitoring, routing and testing) associated  
390 with the various switching arrangements.

391 - The End Office Local Termination rate is assessed on  
392 a per minute of use basis to end office routed minutes

393  
394 21.4.2 Tandem Switching

395 - Tandem Switching is the facility that provides the  
396 function of connecting trunks to trunks for the purpose  
397 of completing interoffice calls.

398 - The Tandem Switching rate is assessed on a per  
399 minute basis for all switched minutes that are  
400 transported over tandem-switched transport services

401  
402 21.4.3 Tandem Transport Termination

403 - The Tandem Transport Termination rate element  
404 includes the non-distance sensitive portion of switched  
405 transport and is assessed on a per minute of use basis.

406  
407 21.4.4 Tandem Transport Facility Mileage

408 - The Tandem Transport Facility Mileage rate includes  
409 the distance sensitive portion of switched transport and  
410 is assessed on a per minute of use per mile basis.

411  
412 21.4.5 For Local Calls and ISP-bound traffic originated  
413 on SBC-Illinois's network and terminated on AT&T's  
414 network, the rate for End Office Local Termination shall be a  
415 single combined rate which includes the elements and

associated rates described in Sections 21.4.1 – 21.4.4, above,  
assuming an average facility mileage of 10 miles.

21.4.6 Both SBC-Illinois and AT&T rates are as set  
forth in the Pricing Schedule. Any adjustment to SBC-  
Illinois's rates during the term of the Agreement will result in  
a concomitant adjustment to AT&T's combined rate.

**C. Issue IC 10a – Should 8YY traffic compensation be determined by the jurisdiction of the traffic?**

**24. Q. PLEASE DESCRIBE ISSUE IC 10a.**

**A.** Toll free calling is now offered using a number of area codes including 800, 888, 877, etc., collectively referred to as 8YY services. Residential and business subscribers purchase 8YY service from a provider so that distant family members or business clients may call the purchaser on a toll free basis. In most instances, 8YY calling is interexchange, originating in one calling area and terminating in another calling area, and is thus often subject to assessment of exchange access charges. Some 8YY calling is intraexchange, but is presently assessed exchange access charges by SBC Illinois.

The issue presented is whether it is appropriate to assess exchange access charges on calls that are local in nature. ATTCI's position is that when an 8YY call originates and terminates within local calling areas, it is inappropriate to assess exchange access charges for what is clearly local traffic. The correct intercarrier charges for such calls should be reciprocal compensation rates. SBC Illinois proposes to treat all intraLATA 8YY

443 traffic, both local and intraLATA interexchange, as intraLATA toll traffic  
444 and to assess exchange access charges on all such traffic.

445 **25. Q. IS IT POSSIBLE TO DIFFERENTIATE 8YY CALLS THAT**  
446 **ORIGINATE AND TERMINATE WITHIN LOCAL CALLING**  
447 **AREAS FROM THOSE THAT DO NOT?**

448 **A.** Yes. It is my understanding that 8YY call records identify both the  
449 originating telephone number and the terminating POTS (plain old  
450 telephone service) telephone number. The pairing of originating and  
451 terminating telephone numbers determines the jurisdictional classification  
452 of a call. Thus, for all 8YY calls, the correct jurisdiction – whether local  
453 or intraLATA toll – is readily identifiable.

454 **26. Q. WHAT INTERCONNECTION AGREEMENT LANGUAGE DOES**  
455 **ATTCI PROPOSE TO ADDRESS THIS ISSUE?**

456 **A.** ATTCI proposes the following language as part of Article 21, Intercarrier  
457 Compensation:

458 **21.9.1 Where an 8YY call originates from one Party**  
459 **and terminates on the network of the other Party (as the 8YY**  
460 **service provider) the Parties agree that the call will be treated**  
461 **as local or intraLATA toll, as applicable, for purposes of**  
462 **compensation pursuant to this Agreement.**  
463

464 21.9.2 The Parties shall provide to each other intraLATA  
465 800 Access Detail Usage Data for End User billing and intraLATA  
466 800 Copy Detail Usage Data for access billing in Exchange  
467 Message Interface (EMI) format. The Parties agree to provide this  
468 data to each other at no charge. In the event of errors, omissions,

or inaccuracies in data received from either Party, the liability of the Party providing such data shall be limited to the provision of corrected data only. If the originating Party does not send an End User billable record to the terminating Party, the originating Party will not bill the terminating Party for this traffic.

**21.9.3 The transport for all 8YY originated traffic exchanged directly between the Parties will be billed in accordance with the compensation arrangement described in Section 21.9.1 above. The 8YY service provider (terminating Party) will suppress the terminating compensation mechanism and related local or access billings based on the EMI indicator of the 8YY calls and shall provide a monthly report to the originating company of the suppressed calls for that month. If the terminating party does not suppress the billing, it will provide a credit to the originating party for the reciprocal compensation and/or access billings for the POTS routed calls associated with the completion of the 8YY calls.**

**21.9.4 Traffic exchanged between the Parties pursuant to Section 21.9.1,** and associated query charges are billed to and paid for by the called or terminating 800 Service Provider, regardless of which Party performs the 800 query.

**27. Q. IS YOUR TESTIMONY INTENDED TO ADDRESS SUPPRESSION OF BILLING OF TERMINATING CHARGES TO THE ORIGINATING CARRIER AND PROVISION OF A REPORT OF TRAFFIC SUPPRESSED?**

**A.** No. Those aspects of Section 21.9.3, quoted above, will be addressed by ATTCI witness Karen Moore.

**D. Issue IC 11 – Should SBC Illinois be permitted to impose a limit on AT&T tariffed exchange access rates in the local Agreement?**

**28. Q. PLEASE DESCRIBE ISSUE IC 11.**

503           **A.**     SBC Illinois is attempting to impose a limit on ATTCI's tariffed exchange  
504                   access rates. ATTCI opposes SBC Illinois' proposal. Exchange access  
505                   rates are simply beyond the scope of the interconnection agreement  
506                   negotiation encompassed by Section 251 of the federal  
507                   Telecommunications Act. ATTCI's exchange access rates are tariffed in  
508                   both the state and interstate jurisdictions and SBC Illinois has the right to  
509                   protest our access rates at this Commission for state access rates and at the  
510                   FCC for interstate access rates.

511   **29.   Q.     ARE THE SBC ILLINOIS AND ATTCI ACCESS SERVICE**  
512                   **TARIFFS IDENTICAL?**

513           **A.**     No. As suggested under FCC rules for CLEC pricing of switched  
514                   exchange access services offered by CLECs, ATTCI's intrastate and  
515                   interstate tariffs reflect composite rates of a number of incumbent local  
516                   exchange carrier switched access rate elements. The table below attempts  
517                   to capture a few of the structural differences between SBC Illinois' Illinois  
518                   and FCC tariffs compared to ATTCI's comparable tariffs.

519



519

Item No.	Item Name	SBC-IL	ATT-IL	SBC-FCC	ATT-FCC
1	Local Switching	Y	Y	Y	Y
2	Tandem Switching	Y	N	Y	N
3	Tandem Facilities	Y	Y	Y	Y
4	Tandem Termination	Y	Y	Y	Y
5	Muxing	Y	N	Y	N
6	Host-Remote Termination	Y	N	Y	N
7	Host-Remote Facility –	Y	N	Y	N
8	Trunk Port	Y	N	Y	N

520

521 **30. Q. ARE THERE ADDITIONAL RATE ELEMENTS THAT ARE IN**  
522 **SBC ILLINOIS’ ACCESS TARIFFS THAT COULD HAVE AN**  
523 **IMPACT ON THE “BLENDED” RATE ATTCI HAS TARIFFED?**

524 **A.** Yes. SBC Illinois state and FCC tariffs have a number of additional  
525 recurring rates and nonrecurring charges that can be imposed on CLECs  
526 and interexchange carriers that could have an effect on any blended rate.  
527 Some recurring rates include entrance facilities, common trunk ports, end  
528 office and tandem office dedicated trunk ports, channel mileage  
529 (terminations and per mile), multiplexing, and more. In addition, some of  
530 the recurring elements identified in the previous question and answer are  
531 imposed on a per-minute-per-mile basis that will vary from carrier to  
532 carrier.

533     **31.     Q.     DO YOU KNOW IF ATTCI'S BLENDED SWITCHED EXCHANGE**  
534                   **ACCESS RATES ARE AT, ABOVE, OR BELOW PARITY WITH**  
535                   **SBC ILLINOIS COMPARABLE RATES?**

536             **A.**    I do not know. Since the issue is clearly beyond the scope of this  
537                   interconnection agreement arbitration, there is no need for ATTCI to  
538                   determine the results of such a comparison.

539     **32.     Q.     TO YOUR KNOWLEDGE, HAS SBC ILLINOIS CHALLENGED**  
540                   **ATTCI'S SWITCHED EXCHANGE ACCESS SERVICE RATES AT**  
541                   **THIS COMMISSION OR AT THE FCC?**

542             **A.**    No, it has not.

543     **33.     Q.     DOES    ATTCI    PROPOSE    ANY    INTERCONNECTION**  
544                   **AGREEMENT LANGUAGE TO EFFECT ITS POSITION ON THIS**  
545                   **ISSUE?**

546             **A.**    Yes. ATTCI's Section 21.12.1, without the objectionable SBC Illinois'  
547                   language, is displayed below:

548                                 21.12.1         For intrastate intraLATA toll service  
549                                 traffic, compensation for termination of intercompany  
550                                 traffic will be at terminating access rates for Message  
551                                 Telephone Service (MTS) and originating access rates for  
552                                 800 Service, including the Carrier Common Line (CCL)  
553                                 charge where applicable, as set forth in each Party's  
554                                 Intrastate Access Service Tariff. For interstate intraLATA  
555                                 intercompany service traffic, compensation for termination  
556                                 of intercompany traffic will be at terminating access rates  
557                                 for MTS and originating access rates for 800 Service

including the CCL charge, as set forth in each Party's  
interstate Access Service Tariff.

Notably, all the language quoted above is "agreed-to" language. What is  
not agreed to is SBC Illinois' proposed additional language for Section  
21.12.1, which would place a cap on the compensation paid to the  
terminating carrier at the compensation specified in the tariff of the ILEC  
in whose exchange area the end user is located.

**III. UNE ISSUES**

**A. Issue UNE 27 – Should the reciprocal compensation terms and conditions  
contained in Article 21 apply to ULS-ST reciprocal compensation?**

**34. Q. PLEASE DESCRIBE ISSUE UNE 27.**

**A.** This issue is the same issue I addressed in Section II.A of my testimony  
(i.e., Issue IC 1). ATTCI's position is that the facilities-based reciprocal  
compensation rates contained in SBC Illinois' Tariff ILL. C.C. NO. 20,  
Part 23, Section 2 do not apply to traffic exchanged where ATTCI is  
purchasing ULS-ST provided by SBC Illinois. Instead, the specific  
unbundled network element ULS-ST reciprocal compensation rate  
proposed by ATTCI and shown in ATTCI's Pricing Schedule should  
apply for traffic exchanged between ATTCI and SBC Illinois where  
ATTCI is purchasing SBC Illinois-provided ULS-ST.<sup>4</sup> Article 21  
reciprocal compensation rates will apply when traffic is exchanged

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<sup>4</sup> The proposed rate comes from the Commission-approved rate for ULS-ST reciprocal compensation shown on the 1<sup>st</sup> Revised Sheet no. 45 of SBC Illinois' tariff ILL. C.C. No. 20, Part 19, Section 21, Issued October 10, 2000, Effective October 10, 2000 included as AT&T Exhibit 4.2

between ATTCI and SBC Illinois when ATTCI provides its own switching functionality via an ATTCI-owned switch.

To clearly effect this stated intent, additional language is required in Article 9, Schedule 9.2.7<sup>5</sup> of the agreement to ensure consistency between Article 9 (UNEs) and Article 21 (reciprocal compensation).

**35. Q. WHAT LANGUAGE DO YOU PROPOSE TO REFLECT ATTCI'S POSITION.**

**A.** ATTCI proposes the following Schedule 9.2.7 language:

9.2.7.4.1 For purposes of this Agreement, the Parties agree that for interswitch local traffic originated from a ULS-ST port and terminated to a SBC-AMERITECH end office and for interswitch local traffic originated from a SBC-AMERITECH end office and terminated to an ULS-ST port is the traffic to which reciprocal compensation applies.

**9.2.7.4.2 As to ULS-ST only, SBC-AMERITECH will charge, at the rate set forth in the Pricing Schedule, AT&T using SBC-AMERITECH's ULS-ST a Reciprocal Compensation rate specific to ULS-ST for interswitch local traffic originated from a ULS-ST port and terminated to a SBC-AMERITECH end office.**

**9.2.7.4.3 As to ULS-ST only, AT&T will reciprocally charge, at the rate set forth in the Pricing Schedule, SBC-AMERITECH for interswitch local traffic originated from a SBC-AMERITECH end office and terminated to an ULS-ST port at the same rate as ULS-usage rate associated with ULS-ST a Reciprocal Compensation rate.**

---

<sup>5</sup> Article 9 is Access to Unbundled Network Elements – Section 251(c)(3) and Schedule 9.2.7 is Interoffice Transmission Facilities.

613

614 **B. Issue UNE 29 – How should reciprocal compensation rate elements be**  
615 **structured?**

616

617 **36. Q. PLEASE DESCRIBE ISSUE UNE 29.**

618 **A.** This issue is essentially identical to Issue IC 8a discussed in Section II.B  
619 of my testimony. I have there fully discussed the issues relating to the  
620 structure of reciprocal compensation rate elements.

621 **37. Q. WHAT INTERCONNECTION AGREEMENT LANGUAGE DO**  
622 **YOU PROPOSE IN ARTICLE 9 SECTION 9.2.7.5 TO ADDRESS**  
623 **THE ISSUE OF RECIPROCAL COMPENSATION RATE**  
624 **STRUCTURE?**

625 **A.** Our proposed text is displayed below:<sup>6</sup>

626 **9.2.7.5 IntraLATA and InterLATA Toll Rate**  
627 **Application.** When ULS-ST is used to make or receive  
628 interLATA (including PIC) or intraLATA (including LPIC) toll  
629 traffic and that traffic is routed through SBC-AMERITECH  
630 tandem switch(es) and transmission facilities, SBC-AMERITECH  
631 will charge usage-sensitive Common Transport and Tandem  
632 Switching Rates in addition to other applicable ULS-ST charges.  
633 However, when that traffic is routed to and/or from an  
634 Interexchange Carrier directly connected at the SBC-  
635 AMERITECH end office providing that ULS port, the Common  
636 Transport and Tandem Switching rates will not apply to such  
637 traffic. (the following rate elements could apply depending on type  
638 of call:

639

640 ULS-ST Blended Transport Usage  
641 **ULS-ST – Reciprocal Compensation**  
642 ULS-ST SS7 Signaling Transport

---

<sup>6</sup> The title text of this Section 9.2.7.5 is not in dispute. The bold text is a stylistic element of the text.

643

644 **IV. PRICING ISSUES**

645

646 **A. Issue Pricing 1 – Should AT&T's rates for SBC's use of Space License**  
647 **apply on a per trunk group or per switch basis?**

648

649 **38. Q. PLEASE DESCRIBE ISSUE PRICING 1.**

650 **A.** The controlling terms, conditions and rates for Space Licensing purchased  
651 by SBC Illinois in ATTCI network locations are agreed with the exception  
652 of the method of charging the agreed-to rates. No language, except one  
653 parenthetical notation in the Pricing Schedule, is in dispute. ATTCI  
654 wishes to assess SBC Illinois charges for Space License on a per-DS1 or  
655 equivalent, per trunk group at each ATTCI network location where SBC  
656 Illinois wishes to utilize ATTCI space, just as it does in other SBC-  
657 Midwest jurisdictions. SBC Illinois wants the charges to be assessed on  
658 the basis of the cumulative total of all SBC Illinois DS1 or equivalents at  
659 an ATTCI network location.

660 **39. Q. DOES SBC ILLINOIS ACKNOWLEDGE THAT IT MUST PAY**  
661 **FOR SPACE LICENSE ON THE PER-TRUNK-GROUP BASIS IN**  
662 **ALL FOUR OTHER SBC-MIDWEST STATES?**

663 **A.** Yes.

664 **40. Q. ARE THE SPACE LICENSE RATES FOR DS1 TERMINATION**  
665 **IMPOSED ON SBC-MIDWEST ILECS IN THE OTHER FOUR**

666                   **STATES IDENTICAL TO THOSE DISPLAYED IN THE PRICING**  
667                   **SCHEDULE IN THIS CASE?**

668           **A.**     Yes.

669   **41.   Q.**     **SHOULD THE COMMISSION GIVE ANY WEIGHT TO SBC**  
670                   **ILLINOIS' ALLEGED CONCERNS ABOUT BILLING DISPUTES**  
671                   **RELATED TO THIS ISSUE AS DESCRIBED IN THE SBC**  
672                   **POSITION ON THIS ISSUE SET FORTH IN ATTACHMENT B TO**  
673                   **THE ARBITRATION PETITION?**

674           **A.**     No. The fact that there is a dispute that may or may not be ongoing is not  
675                   dispositive to the proper outcome of this issue. In preparing my  
676                   testimony, I reviewed a former tariff issued by AT&T Communications of  
677                   Illinois, Inc. in June 1998 for "Network Interconnection Services". That  
678                   tariff has the same rates and rate structure as reflected in AT&T's Pricing  
679                   Schedule and warrants at least two observations. First, a key paragraph of  
680                   the tariff says:

681                                 Subject to mutual agreement between the Customer and the  
682                                 Company, a Customer may terminate traffic on the  
683                                 Company's network in one of two ways: 1) separate **trunk**  
684                                 **groups** for Local Traffic and non-Local Traffic; or 2) on  
685                                 combined **trunk groups**.<sup>7</sup>  
686

---

<sup>7</sup> AT&T Communications of Illinois, Inc., Tariff ILL. C.C. No. 8, Section 10, Original Sheet 4, Issued June 8, 1998, Effective June 9, 1998. Excerpt from paragraph 10.2.2. (Emphasis added.) The companion pricing section of the tariff is Section 17, First Revised Sheet 11, Issued March 17, 1999. This sheet, which made no modifications to the prices, shows identical pricing and price structure as in AT&T's Pricing Schedule in this case. Both of these tariff sheets are included in AT&T Exhibit 4.3 to this testimony.

687 While not entirely dispositive to the dispute, ATTCI's course of  
688 performance has been to charge for Space License on a per-trunk-group  
689 basis.

690 My second observation is based on the terms of the proposed ICA  
691 itself. Schedule 3.1 Space License states in section 3.1.2 that when SBC  
692 Illinois situates its equipment in ATTCI's central office that "[t]he only  
693 allowable network interfaces under a Space License are DS1 and DS3."  
694 Further, Article 3, section 3.4.2.4 states that "[i]f the facility is terminated  
695 to AT&T at a DS3 level, SBC-Illinois must purchase 28 DS1 Collocation  
696 Termination charges and DS3 to DS1 multiplexing from AT&T." Looking  
697 also at the Pricing Schedule that is part of the interconnection agreement,  
698 we find a sliding scale in the price of recurring charges per DS1  
699 terminated. Drawing again from the underlying 1998 AT&T  
700 Communications of Illinois, Inc. tariff this sliding price scale is applicable  
701 based on the number of DS1 terminations purchased. That is, the monthly  
702 price for the first 28 port terminations is \$36 per port, and \$33 for the  
703 second 28 port terminations, et cetera in 28 port increments until a price of  
704 \$12 per port is reached for 169 ports and above. Thus, for every DS3 in a  
705 trunk group terminated, a progressive level of reduced rate would be  
706 applied and one would need only terminate seven DS3s (7 X 28 DS1s) to  
707 take advantage of the lowest price available in the ICA Pricing Schedule.



708                   The current AT&T Communications of Illinois, Inc. Network  
709                   Interconnection Services Tariff, ILL. C.C. No 13, Section 10, Original  
710                   Sheet 3, brings forward the identical language and the identical recurring  
711                   price structure as set forth in the 1998-1999 tariff I discussed above.

712                   **B. Issue Pricing 3 – What is the proper price for local end office reciprocal**  
713                   **compensation?**

714  
715    **46.    Q.    PLEASE DESCRIBE ISSUE PRICING 3 REGARDING THE**  
716                   **PROPER PRICE FOR LOCAL END OFFICE RECIPROCAL**  
717                   **COMPENSATION FOR FACILITIES-BASED AND ISP TRAFFIC.**

718                   **A.**    As I discussed earlier in Section II.B of my testimony, local end office  
719                   termination for reciprocal compensation should be identical to the rate  
720                   contained in SBC Illinois Tariff ILL. C.C. No. 20, Part 23, Section 2, 3rd  
721                   Revised Sheet No. 3. All reciprocal compensation rates are expressed on a  
722                   per MOU basis and are not bifurcated into setup and duration components.  
723                   If the Illinois Commerce Commission approves a new rate structure and  
724                   that structure is incorporated into SBC Illinois' tariffs, that rate structure  
725                   will be imported into the Pricing Schedule of this Agreement, as has been  
726                   the ongoing practice of the parties for the past seven years.

727  
728    **47.    Q.    WHAT RECIPROCAL COMPENSATION RATES DOES ATTCI**  
729                   **PROPOSE?**

730                   **A.**    ATTCI proposes the following reciprocal compensation rates:

731	Tandem Switching	\$0.001072
732	Tandem Transport Termination	\$0.000201
733	Tandem Transport Facility Mileage	\$0.000013
734	Local End Office Termination	\$0.003746

735

736 **C. Issue Pricing 4 – What is the proper rate for reciprocal compensation**  
737 **associated with ULS-ST?**

738

739 **48. Q. PLEASE DESCRIBE ISSUE PRICING 4 RELATED TO THE**  
740 **PROPER RATE FOR RECIPROCAL COMPENSATION**  
741 **ASSOCIATED WITH ULS-ST.**

742 **A.** As I discussed extensively in Section II.A of my testimony, with respect to  
743 Issue IC 1, the reciprocal compensation associated with ULS-ST traffic  
744 should be charged at \$0.001100 per MOU as set forth in ILL C.C. No. 20,  
745 Part 19, Section 21, sheet 45, prior to the latest revision issued August 27,  
746 2002. ATTCI's position is that the latest tariff revision removing the  
747 \$0.001100 rate fails to comply with the ICC's July 10, 2000 Order in  
748 Docket No. 00-0700, which expressly stated that it was not addressing or  
749 deciding issues concerning reciprocal compensation. As I discussed  
750 earlier, the only logical conclusion to be reached, of course, is that the  
751 Commission left the ULS-ST reciprocal compensation rates unchanged.  
752 The \$0.001100 rate is the rate set by the Commission to be uniquely  
753 associated with providing compensation in a ULS-ST environment. SBC  
754 Illinois' proposal to bifurcate the rate it proposes for reciprocal

compensation associated with ULS-ST should be rejected for the same reasons that non-ULS-ST reciprocal compensation should not be bifurcated.

**D. Issue Pricing 5a – How should LIDB queries be defined in the pricing schedule?**

**E. Issue Pricing 5b – Should prices for unbundled operator services –LIDB validations be included in the pricing schedule?**

**49. Q. WHAT IS ATTCI'S POSITION ON ISSUES PRICING 5a AND 5b RELATING TO THE DEFINITIONS OF LIDB QUERIES AND THE PRICES FOR UNBUNDLED OPERATOR SERVICES LIDB VALIDATIONS.**

**A.** LIDB query charges should be the tariff rates set forth in SBC Illinois' tariff ILL. C.C. No. 20, Part 19, Section 11, 1<sup>st</sup> Revised Sheet No. 5 issued April 3, 1998 pursuant to Second Interim Order in ILL C.C. Docket No. 96-0486/0569 Consolidated, dated February 17, 1998. If SBC Illinois wants to change both the structure and prices for this functionality it should file new tariffs and supporting cost data with the Commission for investigation and approval. This position is fully consistent with ATTCI's position with respect to the applicability of tariff rates in the interconnection agreement Pricing Schedule. When SBC Illinois has brought proper evidence before the Commission with adequate opportunity for intervenors to participate, then the resulting rate level and

rate design changes may be incorporated into the interconnection agreement.

**50. Q. WHAT RATE STRUCTURE AND RATES DOES ATTCI PROPOSE BE ADOPTED IN THE PRICING SCHEDULE OF THE ICA?**

**A.** ATTCI proposes the following items and prices be included in the Pricing Schedule:

Item	Item Description	Proposed Rate Per Query
1	Interconnection at Regional STP – LIDB Validation	\$0.016151
2	Interconnection at Regional STP – LIDB Transport	\$0.000020
3	Interconnection at Local STP – LIDB Validation	\$0.016151
4	Interconnection at Local STP – LIDB Transport	\$0.000132
5	Interconnection at Local STP – Out of Region Query	\$0.061778
6	Unbundled Operator Services – LIDB Validation	\$0.016151
7	Unbundled Operator Services – LIDB Transport	\$0.000510
8	Unbundled Operator Services – Out of Region Query	\$0.062160

**51. Q. WHAT IS SBC ILLINOIS' POSITION REGARDING THE RATE ELEMENTS AND PRICES PROPOSED BY ATTCI?**

**A.** SBC Illinois says in part in its Pricing Decision Point List entry on these issues that it cannot distinguish between a local query or a regional or out of region query. It therefore proposes a single rate for all queries (and related transport). SBC Illinois goes on to say that the Unbundled Operator Services query and transport charges cannot be billed and that the costs of such queries should have been recovered in the operator services pricing.

796 **52. Q. WHAT IS THE EFFECT OF SBC ILLINOIS' POSITION**  
797 **STATEMENT ON THE RATES IT PROPOSES?**

798 **A.** SBC Illinois' proposal would effectively modify the table for shown above  
799 to the one shown below.

Item	Item Description	Proposed Rate Per Query
1	LIDB Validation Query – Regional and Local	\$0.016151
2	LIDB Validation Transport	\$0.000020

800

801 **53. Q. WHY IS ATTCI OPPOSING WHAT APPEARS TO BE RATE**  
802 **REDUCTIONS, RATE SIMPLIFICATION, AND RATE**  
803 **ELIMINATIONS PROPOSED BY SBC ILLINOIS?**

804 **A.** Simply put, the principle of tariff parity is important to ATTCI because it  
805 has been through tariff modifications ordered by the Commission that  
806 many interconnection agreement pricing changes have been accomplished.

807 **54. Q. WOULD ATTCI OPPOSE A TARIFF FILING BY SBC ILLINOIS**  
808 **THAT WOULD BRING ITS ILL. C.C. NO. 20, PART 19, SECTION**  
809 **11 TARIFF INTO CONFORMANCE WITH ITS POSITION BEING**  
810 **TAKEN IN THIS CASE?**

811 **A.** We would need to evaluate the specifics of any SBC Illinois filing, but so  
812 long as SBC Illinois were not eliminating a tariffed offer or functionality  
813 included in another service, I do not believe that ATTCI would object to  
814 such a filing by SBC Illinois. At the time of the tariff approval, the

815 Pricing Schedule would be amended to conform to the legally changed,  
816 Commission-approved tariff.

817 **55. Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

818 **A.** Yes.